

**Testimony of
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Oversight of the Federal Communications Commission

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Chairman Walden, Ranking Member Eshoo, and Members of the Committee, thank you for the opportunity to share my comments and perspective with you today.

Since the last time I appeared before this body, I had the incredible opportunity to serve just over five months as Acting Chairwoman of the FCC. During that time, we had several challenges facing us, but I am glad to note that with the support of my colleagues and the assistance of a skilled and dedicated staff, we were able to move a number of important items, which we believe clearly advance the public interest and inure to the benefit of consumers.

We kept the essential, but often overlooked, day-to-day functions of the FCC in operation until our distinguished Chairman, Tom Wheeler, could take the reins

of the Agency. And for that opportunity, and for the support from Members of this Committee, I remain grateful.

This hearing comes at a critical stage in our communications policy continuum. We are experiencing tremendous technological change that affects every aspect of our lives, and the quality of our lives as well. Just a few days ago, I had the opportunity to participate in the FCC's inaugural MobileHealth Expo, where two dozen companies – both large and small – displayed communications systems, equipment and applications devoted to helping Americans use communications technology to improve personal health outcomes.

I was particularly impressed by the high level of technological innovation and harmonization with existing wireless, online and wire line applications. Also noteworthy was the support many of these companies have received from average consumers, who are seamlessly adopting these technologies to meet their critical day-to-day needs.

As we look ahead to the challenges of tomorrow, I believe it is important to understand the terrain over which we travelled yesterday to arrive at where we are today.

Mr. Chairman, Members of the Committee, with your indulgence, I would like to point out a few highlights of what our agency accomplished during the transition, all of which we can be proud.

- We reached a voluntary interoperability industry solution in the lower 700MHz band to address an issue that, for years, had been impeding the deployment of valuable spectrum;
- We launched a proceeding to modernize the FCC's schools and libraries program, known as E-rate, to ensure that our children have the resources and connectivity they need to support digital learning and become the leaders of tomorrow;
- We adopted an Order to address rural call completion, because it is unacceptable in today's world that calls to non-urban areas are not being completed;
- We adopted an Order to reform inmate calling services to finally provide relief to millions of families and 2.7 million children who have been paying unreasonably high rates to stay connected with incarcerated loved ones;
- We adopted a declaratory ruling on Consumer Proprietary Network Information (CPNI) data to better protect consumer data on mobile devices;
- We improved the service for those with speech disabilities to communicate through telephone networks and empowered those with disabilities by implementing the 21st Century Communications and Video Accessibility Act (CVAA);
- We enabled the H Block spectrum auction and the AWS-3 proposal to take major steps forward on government and commercial spectrum sharing, and moved forward on the special access data collection;
- We adopted reforms to the FCC's Form 477, which will streamline the broadband data collection initiated by NTIA to populate the National Broadband Map;
- We approved the Softbank-Sprint-Clearwire merger;
- We took significant steps with the Connect American Fund to extend broadband to all Americans with the second round of CAF Phase I, which

will bring broadband to consumers in 44 states and Puerto Rico, and made progress with the cost model and implementation of Phase II;

- We adopted procedures and set the date for Tribal Mobility Fund I;
- We made ongoing reforms to Lifeline and proposed significant forfeitures to companies not following the FCC's rules,
- And not insignificantly, we adopted and released over 2500 items, many of which were under the radar.

I look forward to my continued work with Chairman Wheeler, and my fellow Commissioners, to build on the progress we have made thus far.

As the Chairman has made clear, the voluntary incentive auction proceeding will continue to be a top Commission priority. Congress directed that the incentive auction of broadcast television spectrum should have three major pieces: (1) a “reverse auction” in which broadcast television licensees submit bids to voluntarily relinquish spectrum usage rights in exchange for payments; (2) a reorganization, or “repacking” of the broadcast television bands to free up a portion of the ultra-high frequency (UHF) band for other uses, and (3) a “forward auction” of initial licenses for flexible use of the newly available spectrum.

For those broadcast TV licensees who want to continue to use their spectrum to provide those services, the Act mandates that the Commission make all reasonable efforts to preserve the coverage area and population served of each broadcast television licensee.

The Act also had clear directives for the proceeds from the forward auction. It requires that the incentive auction results in proceeds that are greater than the sum of the following: (1) the compensation the Commission must pay successful bidders in the reverse auction; (2) the cost of administering the incentive auction, and (3) the estimated amount of the relocation cost reimbursements.

The first \$1.75 billion of the proceeds would go into a fund to repay costs that broadcast TV licensees reasonably incurred pursuant to the need to change frequencies as a result of the repack process. The rest of the proceeds would be deposited in the Public Safety Trust Fund to fund a national first responder network, state and local public safety grants, public safety research, and national deficit reduction.

I believe the public safety goals of the Act are important. When Congress created the FCC in 1934, it made one of the Commission's foundational obligations "the promotion of safety of life and property through the use of wire and radio communications." We may not be able to prevent natural disasters, but we can, and we must, improve our nation's ability to respond to these events. Doing our best to make First Net successful would go a long way toward enhancing our responses to these crises.

Congress also gave the Commission authority to promote the use of unlicensed spectrum. The Act allows the Commission to implement guard bands

that are technically reasonable to prevent harmful interference between licensed services outside the guard bands. The statute also permits the use of such guard bands for unlicensed use. I believe it was important for the NPRM to propose a band plan with an appropriate balance of unlicensed and licensed spectrum.

Unlicensed spectrum plays a critical role in advancing more efficient use of spectrum, and commercial wireless carriers are increasingly using unlicensed Wi-Fi services and small cell architecture to offload their smartphone traffic.

I expect that the Commission will keep moving carefully, but expeditiously, to comply with both the spirit and plain language of all the mandates in the Act. I also appreciate that the Commission staff has been proactive in seeking the engagement of the public and all stakeholders.

They began conducting webinars and workshops even before Congress passed the Spectrum Act, and they plan to hold several more such events throughout this proceeding. In addition, FCC staff members have been trying to implement these statutory directives with the same bipartisan approach that resulted in Congress passing the Act.

In September 2012, the Commission unanimously adopted a Notice of Proposed Rulemaking which sought comment on the full range of procedural and technical rules that the Commission would have to adopt to conduct the voluntary incentive auctions.

In addition to spectrum, Chairman Wheeler has announced that the Commission will consider an Order at the January 2014 Commission meeting to launch trials regarding the ongoing technology transitions. Technology transitions hold tremendous promise to deliver innovative new services and opportunities to consumers, and will allow the Commission to evaluate how best to modernize our policies.

I do believe that trials, if structured properly, can produce helpful insights into how best to approach reform, and I will be keeping a keen eye on how the trials and future reforms affect all consumers.

As has been noted earlier, the process of reform is where we have the opportunity to develop an even more efficient agency — one which is better equipped to respond to the expanding needs of consumers and industry.

Thus, with regard to our much-maligned Sunshine rules, I have a particular interest in potential tailor-made revisions to the way in which we interact. As the Committee considers the Federal Communications Commission Process Reform Act of 2013 (H.R. 3675), I am pleased that the proposed modifications to the Sunshine Act would facilitate federal Commissioners' participation on the federal-state Joint Boards and the Joint Conference. This is something that the National Association of Regulatory Utility Commissioners (NARUC) —the national body representing state commissioners, and I previously have endorsed.

The Joint Boards and Joint Conference have federal and state representation, and each is involved in the Commission's policymaking process with respect to their subject matter focus in the areas of universal service, jurisdictional separations and advanced services. Under current law, three or more Commissioners may not participate in a Joint Board or Joint Conference meeting unless it is open to the public and has been properly noticed. Currently, federal Commissioners must take turns participating in our in-person and conference call meetings making it difficult for constructive and efficient deliberations when it comes to Joint Board Recommended Decisions.

I appreciate the fact that H.R. 3675 has included language to extend the proposed Sunshine Act exemption to cover these situations.

As you consider FCC process reform, I would also encourage you to consider looking at the Paperwork Reduction Act (PRA), and how it could be improved to take into account how agencies now engage with citizens. Like so many consumers today, agencies are also taking advantage of the technological revolution.

For example, the FCC is using its website to inform consumers and industry of our proceedings, and is providing facts on communications issues and tips on how consumers can resolve any problems they may encounter. Yet, to obtain voluntary feedback on our website, its usefulness, and how it should be improved,

the PRA requires OMB approval to do so. As a result, the Commission cannot be as nimble and responsive to users without engaging in a lengthy OMB approval process.

As you can see, Mr. Chairman and distinguished Members of the Committee, we have both challenges and opportunities ahead, and I look forward to working with each of you to address our evolving communications landscape.

I appreciate your attention, and would be glad to answer any questions you might have.